UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
21st meeting
held on
Monday, 6 November 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 21st MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

later: Mr. AMARI (Tunisia)
(Vice-Chairman

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

TRIBUTE TO THE MEMORY OF YITZHAK RABIN, PRIME MINISTER OF ISRAEL

AGENDA ITEM 113: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS:

(a) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH

(b) VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

First reading (continued)

Section 22. Office of the United Nations High Commissioner for Refugees

Section 23. United Nations Relief and Works Agency for Palestine Refugees in the Near East

Section 24. Department of Humanitarian Affairs

Section 25. Public information

Section 26. Administration and management

Section 27. Jointly financed administrative activities

Section 28. Special expenses

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Distr. GENERAL
A/C.5/50/SR.21
15 November 1995

ORIGINAL: ENGLISH

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95-82023 (E)

The meeting was called to order at 10.20 a.m.

TRIBUTE TO THE MEMORY OF YITZHAK RABIN, PRIME MINISTER OF ISRAEL

1. At the invitation of the Chairman, the members of the Committee observed a minute of silence.

AGENDA ITEM 113: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS: (A/49/943; A/50/327 and A/50/560)

(a) UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH (A/50/5/Add.4)

(b) VOLUNTARY FUNDS ADMINISTERED BY THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (A/50/5/Add.5)

2. Mr. SOMIAH (Chairman of the Board of Auditors), introducing the reports of the Board of Auditors, said that the Board's indicative budget of $8.2 million from all sources for the biennium 1996-1997 reflected the amounts charged by the Board for conducting external audits but excluded secretariat-related costs. The General Assembly's recent decision to amend the Financial Regulations and Rules in order to place the financial period for peace-keeping operations on an annual basis meant that the Board would have to present annual instead of biennial reports on such operations. The consequent increase in audit coverage would result in additional audit fees, given the expected increase in workload.

3. The Board was not only strengthening the audit of peace-keeping operations, but also taking steps to strengthen external oversight. For example, the Panel of External Auditors of the United Nations had recently decided to recognize the auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI) as its core standards and to adopt the international standards on auditing issued by the International Federation of Accountants (IFAC) as the Panel's new auditing guidelines. The Board had also taken action to revise the audit manual and had made suggestions for improving the transparency of financial statements. It proposed to continue the practice of carrying out horizontal reviews on relevant topics in each biennium and of reviewing procurement practices in all units of the Organization.

4. With regard to the timely and effective implementation of its recommendations, the Board was of the view that the Administration should implement those which could be implemented without delay and work out a schedule for implementing those which required amendment of the rules and procedures. The Board was considering methods to identify persistent irregularities in order to enable the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to follow up such cases and to ascertain from the Administration the reasons for their recurrence.

5. The Board had established a reasonable working relationship with the Office of Internal Oversight Services. It was important, however, to have a clear appreciation of the respective roles of the two bodies. A strong and independent audit function should continue to be at the core of the United Nations accountability arrangements and the roles of internal and external audit

should be kept separate. By its very definition, internal audit should form part of the overall internal control system established by management, while external audit was the means of providing objective information, advice and assurance to the General Assembly through independent financial audits and management reviews. In that connection, the Board had taken note of the Advisory Committee's request that it should report on whether its recommendations for improving the work of the Internal Audit Division had been implemented.

6. With regard to the term of office of members of the Board, the Board's proposal in favour of the adoption of a six-year term, which would bring the term of appointment into line with biennial accounting and give each member sufficient time to have a significant impact on the work of the Board, was still before the General Assembly.

7. In its report on the audit conducted at the headquarters of the United Nations High Commissioner for Refugees (UNHCR) and in eight field offices (A/50/5/Add.5), the Board had noted the comfortable overall liquidity position of UNHCR. Its review of the control exercised by UNHCR over its implementing partners, however, had established that the procedure was weak and in need of substantial improvement. Various aspects of programme management, including planning, programme formulation and appraisal were deficient. The system adopted by field offices and implementing partners for budgeting, accounting and the auditing of expenditures also needed to be streamlined. Moreover, the system of project reporting and monitoring was defective and the overhead costs of UNHCR implementing partners needed to be controlled through the establishment of appropriate norms.

8. The procurement system of UNHCR could be improved by streamlining the system of purchase planning and framework agreements and by giving adequate publicity to tenders and vendor performance analysis. The Board welcomed the decision of UNHCR to implement most of its recommendations on procurement. Weaknesses in the procedures for property management could be addressed through the introduction of new asset management software. The Board proposed to keep the matter under review.

9. The Board had also observed various irregularities in the hiring of consultants, including the retrospective regularization of appointments, the engagement of consultants to perform the functions of regular staff and the automatic extension of consultants' contracts without the mandatory break in service and without any performance evaluation. He hoped that the correct procedures would be followed in the future. While the Administration of UNHCR had initiated action on many of the Board's recommendations, implementation at the field level had not been satisfactory.

10. Turning to the Board's report on the United Nations Institute for Training and Research (UNITAR) (A/50/5/Add.4), he said that the Board welcomed the decision of UNITAR to establish an operating reserve for the General Fund, initially set at 5 per cent of annual expenditure. It was, however, concerned that 15 projects under the Special Purpose Grants Fund had had deficit balances at the end of the year. Since the United Nations had reaffirmed that it was under no obligation to make good such deficits, it would be prudent for the

Administration of UNITAR to write them off against the General Fund in cases where the amounts due were not collectable.

11. The Board had noted several instances in which UNITAR had awarded contracts without using the purchasing services of the United Nations Office at Geneva and without observing the Organization's rules on the soliciting of tenders. Accordingly, it had recommended that the Institute should adhere more closely to the Financial Regulations and Rules of the United Nations.

12. Referring to the report on the liquidation audit of the United Nations Transitional Authority in Cambodia (UNTAC) (A/49/943), he said that the Board would have to review the final status of the liquidation in view of the many unresolved issues and the incomplete nature of the liquidation documentation available at the time of its audit. Many of the findings and recommendations contained in the report, however, would have bearing on all missions under liquidation in the future and the Administration should view the report as a useful instrument for taking the necessary advance action before such liquidation processes were initiated.

13. The findings of the report which should form the basis for future missions included the need for the timely appointment of liquidation teams; the advantage of establishing an asset disposal oversight committee; the desirability of establishing through an independent team of officials the realizable values of relevant property; and the need for adequate disclosure about the policy of not affording credits to the liquidating missions in respect of assets transferred to other missions. The follow-up actions specific to UNTAC included reconciliation of the different values of the total assets reported in the Secretary-General's report and the status report, and follow-up of the various pending acknowledgements of assets transferred to other missions and United Nations entities along with detailed investigations of the deficiencies.

14. The items that had yet to be acknowledged at the time of the audit included a fleet of 968 vehicles which had been sent to other missions and 383 minibuses which had been procured for UNTAC but directed to other missions. The Board had recommended that the review of the outstanding property write-off cases should be expedited in order to determine the accurate value of the assets which had been written off from UNTAC. The Board proposed to verify the accuracy of the information on the acknowledgement of the transfer of the assets of UNTAC which it had recently received from the Administration. Finally, the liquidation process should be completed in the shortest possible time in order to minimize costs and to prevent the process from assuming the semblance of an ongoing concern. The achievement of that objective, however, required the early settlement of the unpaid assessed contributions of Member States.

15. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the financial reports and audited financial statements and reports of the Board of Auditors (A/50/560), said that, as noted in its first report on the proposed programme budget for the biennium 1996-1997 (A/50/7, para. I.5), the Advisory Committee had been informed that the estimates received from the Board had been included in proposed programme budgets without change. The Advisory Committee intended to review the resources required by the Board to enable it to discharge

its responsibilities with regard to peace-keeping operations and would report to the General Assembly.

16. With regard to the implementation of the Board's recommendations, the Board would inform the Advisory Committee of those recommendations which had persistently failed to be implemented.

17. On the question of the Board's report on its audit of UNHCR, the Advisory Committee had indicated to the High Commissioner that many of the findings in the Board's current report concerned issues which had been raised in previous reports. It had therefore requested the High Commissioner to include in her next report to the Advisory Committee information on the action that had been taken to implement the Board's recommendations, particularly those concerning the role of the implementing partners of the Office of the United Nations High Commissioner for Refugees.

18. The Advisory Committee welcomed the Board's informative report on the liquidation audit of UNTAC (A/49/943). A comprehensive prior planning of disposition of assets was particularly essential for future peace-keeping missions, given the lessons learned from UNTAC. The Advisory Committee was convinced that there was a need to establish, within the Secretariat, expertise related to liquidation of assets. It believed, further, that the capacity of the Secretariat to control and account for the Organization's assets could be enhanced by the development and use of software packages for the purpose of tracking assets. Finally, the Advisory Committee had been informed by the Audit Operations Committee of the Board that when the Board had taken up the audit in October/November 1994, there had been a number of unresolved matters and the liquidation documentation had been incomplete. The Board therefore intended to carry out another audit, the findings of which would be provided to the General Assembly in February/March 1996. The Advisory Committee's comments on the Board's current report were therefore preliminary.

19. Mr. Amari (Tunisia), Vice-Chairman, took the Chair.

20. Mr. RAMOS (Spain), speaking on behalf of the European Union, welcomed the Board's unqualified opinion on the financial state of UNITAR. The Board's audit of the voluntary funds administered by UNHCR, however, had revealed the existence of irregular procedures in the selection of consultants, a failure to plan programmes of work, a lack of proper advertising and competition in procurement and discrepancies between inventories and stocks of non-perishable goods.

21. While the problems identified might be largely due to the rapid expansion of the programmes of UNHCR, it was important to ensure the proper functioning of internal oversight requirements. The European Union supported the Board's recommendation that programmes of work should be prepared for field offices and implementing partners and that letters of instruction should be sent out on time in order to strengthen programme planning. The necessary measures should also be taken to ensure sound choices of implementing partners. In addition, the procurement system must be made more efficient and greater control must be exercised over stock.

22. The European Union shared the Advisory Committee's concern over the persistent failure of UNHCR to implement several of the Board's recommendations, particularly those related to programme management and implementing partners. Every effort should be made to prevent a recurrence of that situation.

23. He regretted the delay in appointing a team to undertake the liquidation of UNTAC. Given the experience of the United Nations in that field, the explanations by the Administration of UNTAC were not satisfactory. The absence of a complete inventory showing the verifiable values of goods owned by UNTAC as of 1 October 1993 had prevented the Board from obtaining sufficient information about the goods acquired by the mission during its mandate, which was a prerequisite for any liquidation. The European Union agreed with the Board on the need to establish transparent and reliable methods for the submission of reports on assets and liabilities in the liquidation of missions. It was essential to complete the liquidation of UNTAC in the shortest possible time in order to reduce expenses and to ensure that the process did not take on the appearance of an ongoing operation. He supported the Board's proposal to carry out the final audit upon completion of the liquidation.

24. On the question of outstanding contributions, the European Union called upon Member States to fulfil their financial obligations to the Organization. It regretted that, despite the efforts of the Secretary-General to improve the administration and management of the Organization, the audited financial statements of UNTAC had still revealed deficiencies. The Office of Internal Oversight Services should oversee not only UNTAC but also other future missions to ensure strict compliance with the Financial Regulations and Rules and with basic accounting procedures.

25. The European Union supported the conclusions and recommendations of the Board of Auditors contained in the reports under consideration, as well as the Advisory Committee's comments thereon. Deadlines should be set for rectifying the problems noted and for providing Member States with detailed information on the issues identified by the Board as needing urgent action. In that connection, the Office of Internal Oversight Services had an important role to play in the supervision and control of the management mechanisms within the United Nations.

26. Mr. AHMED (India) said that the work of the Board of Auditors in reporting on shortcomings and problems in the activities of the United Nations and its efforts to find possible solutions had been particularly important given the membership's collective desire to see a more efficient and cost-effective Organization.

27. In some instances, the problems faced by the Organization were simple to identify and the solutions were obvious. For example, the Board had noted that cash-in-hand balances for the majority of peace-keeping operations could not be confirmed and that non-expendable property in most peace-keeping missions had not even been inventoried. Without a proper asset management system there could be no proper management decisions, duplication and waste could not be avoided and accountability would remain confined to paper. Member States had been assured by the Secretariat that those relatively routine but none the less

important systemic problems would be addressed immediately, and he sought confirmation that they were indeed problems of the past.

28. Regarding reforms to the procurement system, it seemed that some improvements were being made. To date, Member States had only received a progress report that still left many questions unanswered. Enormous potential savings could accrue to the Organization if the procurement system was properly reformed. However, the two most recent reports of the Board of Auditors on UNITAR and UNHCR had given rise to some concern. He noted that the Board had made the same observations as it had made in previous years; obviously there were still some shortcomings in the manner in which the United Nations had proceeded to address the problem.

29. Perhaps the most important report which the Board had submitted during the current year had been the one relating to the liquidation audit of UNTAC (A/49/943). Since UNTAC had been the first major United Nations operation of the 1990s, the Board's findings had been significant and there were important lessons to be learnt both by Member States and by the Organization. The huge loss of communications and electronic data processing equipment valued at $2.5 million, or the unexplained difference of $3.3 million between the value of prefabricated accommodation units reportedly donated to the Cambodian Government and the amount declared in the assets status report required urgent investigation, as did the erroneous purchase of 705 minibuses. His Government would welcome information on how the United Nations intended to avoid serious losses and prevent serious negligence in peace-keeping operations so that the financial contributions of Member States would be properly safeguarded in the future. A large part of the problem arose from the lack of proper inventory-keeping procedures: consequently there had been no asset management. The repeated plea for more staff could not explain the want of better managerial practices. The Secretariat should redeploy available resources and immediately implement an asset management system that allowed for proper checks on available materials and their timely transfer around the world.

30. On the matter of troop contributions, he reminded the Committee that India had been a major troop contributor to UNTAC but had still not received reimbursement from the Organization. In that connection, he asked whether the Department of Peace-Keeping Operations had completed its assessment of the total amounts owed to troop-contributing countries and whether that information was currently available from the Secretariat. He hoped that India's claims would be settled promptly.

31. His delegation endorsed the Board's observation that the current practice regarding valuation and transfer costs of assets between missions was not in tune with standard accounting practices, and called for the establishment of an appropriate policy in that regard. India also supported the Board's call for the evolution of standard procedures for a thorough review of all the assets and liabilities of a mission in liquidation before its assets were disposed of and its liabilities discharged, and for standard procedures governing the transfer of assets between missions.

32. Finally, he appealed to all Member States which were in arrears on Cambodia to pay their dues, reminding the Committee of the conclusion of the Board of

Auditors that the problem of unpaid assessments needed to be addressed if the liquidation of UNTAC was to be speedily completed.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/6 (vols. I and II), A/50/7 and A/50/16)

First reading (continued)

Section 22 Office of the United Nations High Commissioner for Refugees

33. Mr. DJACTA (Algeria), supported by Mr. NKOUNKOU (Congo) and Mr. ODAGA-JALOMAYO (Uganda), noted the increased workload of UNHCR and called for the development of intervention plans that would enable the United Nations to coordinate its resources more effectively. The proposal to maintain resources for UNHCR at current levels was worrying since refugee numbers were rising. The fact that many of the Office's activities were funded from voluntary contributions, was, in itself, an additional cause for concern since extrabudgetary funding had been declining.

34. Mr. BRISEID (Norway) said that all United Nations humanitarian activities should be given adequate human and financial resources and that, in considering UNHCR funding, the Committee should bear in mind that the Office's programme of work was often carried out in unpredictable circumstances.

35. His delegation was concerned over the findings of the Board of Auditors regarding irregularities in the finances of UNHCR, and trusted that they would be cleared up as quickly as possible. He also urged Member States to boost extrabudgetary funding for UNHCR within the context of the overall coordination of humanitarian activities.

36. Mr. FAGUNDES (Brazil) welcomed the fact that the bulk of the resources allocated to UNHCR under the proposed programme budget would go towards operational needs, namely emergency response and relief and care and maintenance. He stressed the need to ensure that activities alien to the Office's mandate should not become part of its terms of reference and emphasized the importance of supporting and funding durable solutions to the structural problems which underlay refugee crises.

37. Mr. HAMID (Sudan) said that the Sudan had received a number of refugees from neighbouring States and was in the process of implementing a programme of voluntary return of refugees in conjunction with UNHCR. He noted, however, that UNHCR resources earmarked for Sudan had continued to dwindle and he trusted that the international community had not lost interest in the plight of refugees in the Sudan. His Government had been pleased to see that the Office's mandate included development projects designed to identify lasting and durable solutions to refugee problems.

38. Mr. MIRMOHAMMAD (Islamic Republic of Iran) proposed that UNHCR resources earmarked for travel and consultancies should be curtailed and reallocated to operational activities.

Section 23. United Nations Relief and Works Agency for Palestine Refugees in the Near East

39. Mr. DJACTA (Algeria) said he welcomed the decision to transfer the headquarters of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to the theatre of operations, but he had been concerned to learn from the Advisory Committee's report that some operational difficulties were expected in connection with the relocation. He appealed to the General Assembly to take appropriate steps to ensure a smooth transfer.

40. Mr. AL-ASHABI (Yemen), supported by Mr. FATTAH (Egypt), called for continuing and increased resource allocation to UNRWA in view of its vital role in the ongoing peace process.

41. Mr. ODAGA-JALOMAYO (Uganda) expressed concern that, as of 7 June 1995, the Advisory Committee had been informed that sufficient funds had not been received for the agency's move from Vienna to the Gaza Strip (A/50/7, para. VI.16). He also requested further information on the whereabouts of the Commissioner-General's progress report on the move of UNRWA headquarters.

42. Mr. BRISEID (Norway) said that, while his delegation appreciated the fact that it had been possible to keep up the level of resources under section 23 before recosting, it was concerned that estimates for extrabudgetary resources were down by some 10 per cent. That decreased level of voluntary contributions was a challenge for all Member States, given the importance of the Agency and in the light of the developments in the peace process. Assistance must continue to be provided to the Palestine refugees in the upcoming biennium, and there should be a fair distribution of UNRWA resources between refugees in the West Bank and Gaza, and those in Lebanon, the Syrian Arab Republic and Jordan. The activities carried out by UNRWA should be seen as one aspect of the activities initiated as a result of the peace process, which must be properly coordinated. The United Nations Special Coordinator in the occupied territories had an important role to play in that connection.

43. Mr. ELMONTASER (Libyan Arab Jamahiriya) said that his delegation fully supported the activities under section 23, which must be given adequate resources. The fact that the transfer of the Agency's headquarters from Vienna to the Gaza Strip had not yet been completed was cause for concern.

44. Ms. BUERGO (Cuba) said that her delegation was fully committed to the activities of UNRWA, which must be provided with adequate resources until a definitive solution was found. The situation pertaining to the headquarters move must be resolved, and she supported the recommendations of the Advisory Committee in that connection.

45. Mr. TOYA (Japan) noted that the headquarters move was to be financed from extrabudgetary resources and expressed concern that adequate funding had not yet been received. That might necessitate a change in the plan. Lastly, he noted that the Advisory Committee had requested the Commissioner-General to prepare a progress report (A/50/7, para. VI.18).

46. Mr. TAKASU (Controller) said that the UNRWA headquarters, which had been temporarily located in Vienna, was now to be moved back to its area of operations, with its headquarters in the Gaza Strip and some offices in Amman. The Secretary-General had appealed for resources to fund the move. Some $4 million had been received to date and a further $4 million had been pledged. The Advisory Committee's estimate, however, was that $13.5 million would be needed for the move although that assumed the termination of some staff at Vienna and consequential new recruitment, which might not transpire. In the later event, the costs would be less. The Commissioner-General would report on the matter in due course.

Section 24. Department of Humanitarian Affairs

Section 25. Public information

Section 26. Administration and management

Section 27. Jointly financed administrative activities

Section 28. Special expenses

47. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions), presenting the Advisory Committee's recommendations on sections 24, 25, 26, 27 and 28, said, with regard to section 24 (Department of Humanitarian Affairs), that the Secretary-General had requested two P-5 and one P-3 post under that section. Since the Advisory Committee was awaiting the results of a management study of the operations of the Department of Humanitarian Affairs, it recommended that approval of the three posts should be deferred pending the completion of the study. Should these results of the study not be available before the programme budget was adopted, the Fifth Committee would need to consider further how to proceed.

48. The Advisory Committee was of the view that the current structure of the Department needed further review: for example, placing the Complex Emergency Division in New York while its Support Unit was in Geneva might adversely affect the administrative efficiency of the Division's work programme. The grade structure of the Department should also be reviewed.

49. The administration of trust funds entailed a heavy workload for the Department, and in that connection he drew the Fifth Committee's attention to the observations and recommendations of ACABQ on the need for donors to respect the Organization's regulations and rules, the need for the Organization to develop standard reporting procedures to reduce the excessive administrative overhead costs resulting from customized reports to meet donor requirements, and the need to appoint qualified United Nations staff to supervise, manage and monitor trust fund activities (A/50/7, paras. 116-118).

50. With respect to the stockpiling of humanitarian supplies, it was essential to maintain close cooperation with such other agencies as the Office of the United Nations High Commissioner for Refugees and the World Food Programme, which also maintained stockpiles, with a view to taking advantage of economies of scale.

51. Turning to section 25 (Public information), he said that the Advisory Committee had not endorsed the proposal regarding the retention of income from sales of publications for product development (A/50/7, para. VII.2). It had however, endorsed the request for the conversion of 10 Local level posts to the National Professional Officer category, since that was a much more cost-effective way of securing the services of Professional staff compared with the cost of International Professional Officers (para. VII.6). The Advisory Committee also reiterated its recommendation on the need to improve the presentation of the estimates for the Department of Public Information (para. VII.7).

52. In connection with the report on publications prepared by the Department of Public Information (A/AC.198/1995/3), ACABQ had concluded that the Department had only partially addressed the request by the General Assembly in resolution 49/38 B. The Advisory Committee recommended that the General Assembly should endorse the proposals in the report of the Secretary-General on publications policy (A/C.5/48/10), with the exception of those concerning the treatment of revenue (para. VII.12).

53. The Publications Board and its working groups should begin to discharge their respective mandates effectively as a matter of urgency. The Advisory Committee also recommended that the Joint Inspection Unit should be requested to conduct a comprehensive survey of the role publications played in implementing mandates of intergovernmental bodies and the extent to which recurrent publications could be made more cost-effective (A/50/7, para.83). The methodology for determining the cost of publications also needed to be refined.

54. The Advisory Committee had drawn attention to some steps to increase revenues, and recommended that communication links between Headquarters and the information centres should be improved, that there should be better coordination of information centre activities with similar tasks performed by specialized agencies, and that the administrative costs of the centres should be reduced (paras. VII.19-VII.20). The Advisory Committee also recommended that the Department of Public Information, acting as a lead agency, should study the issues raised in paragraph VII.21 of its report and submit a policy proposal, including financial implications, to the General Assembly.

55. Turning to section 26 (Common support services), he noted that estimates under its eight subsections totalled $952.7 million, or some 35.5 per cent of the proposed programme budget. Of that total, an amount of $472.8 million was for conference services.

56. In connection with sections 26A (Office of the Under-Secretary-General for Administration and Management), the Advisory Committee recommended that consideration of the five posts proposed for the administration of justice should be deferred. Under section 26B (Office of Programme Planning, Budget and Accounts), it recommended the transfer of four posts to the regular budget from the support account, but not the transfer of three General Service posts.

57. With regard to section 26C (Office of Human Resources Management), ACABQ agreed with the staffing proposals (para. VIII.10). The Advisory Committee had offered specific comments in connection with a number of issues relating to the

Office; in particular, it was of the view that changes in recruitment procedures should take account of the relevant provisions of the Charter and of the fact that the cooperation of the States Members of the United Nations must be sought in order to obtain the most qualified staff. The Office must also be transparent in such procedures as alternative recruitment methods and executive search. The introduction of such new terms as clusters, teams and client servers, in addition to units, divisions and sections in the Secretariat should not lead to confusion in nomenclature or result in any duplication. The Advisory Committee had requested the Secretary-General to look into that question and decide to what extent it was advisable to continue to use the current nomenclature (para. VIII.15).

58. Resources for training were increasing in line with the priority given to that activity. The Secretary-General should ensure that training programmes were cost-effective and were designed to address specific problems, the solution to which would enhance the capacity of the United Nations to deliver mandated activities. More in-house expertise should be used in the training of staff. The implementation of the new performance appraisal system should be carefully monitored and action should be taken, if necessary, to streamline the system.

59. Turning to section 26D (Support services, Headquarters), he said that the Advisory Committee had commented on the need to enhance coordination in the use of new technology, the acquisition of software and hardware, and the development of telecommunication facilities, and had called for a more active role for the Technological Innovations Board in that regard (para. VIII.30). The future use of old facilities such as the New York Computing Service needed evaluation, and the Secretary-General should review the long-term need for the use of alternative voice/data circuits, taking into account the growing use of satellite telecommunication facilities (para. VIII.40). The Advisory Committee would submit further recommendations when it examined the report of the Secretary-General on the United Nations telecommunications network.

60. The Advisory Committee had commented on the extrabudgetary resources reimbursed to the section for services rendered, and had concluded that steps should be taken by the Secretariat to ensure that a fair share of resources should be reimbursed (A/50/7, paras. VIII.26-28). The possibility of charging for public access to United Nations databases should be examined, although care should be taken not to charge Member States for information they were now able to access free of charge. A review should also be made of the terms under which the press and other entities occupied space in buildings owned or rented by the United Nations free of charge or at less than commercial rates, with a view to considering the possibility of charging appropriate rents.

61. The Advisory Committee agreed with the Secretary-General's proposal that a D-2 post should be redeployed from subprogramme 5 to subprogramme 2 (para. VIII.30), but had recommended that the request for the reclassification of a D-1 post to the D-2 level should be deferred until the Secretary-General's full report on the reform of procurement services was taken up (para. VIII.42). The Advisory Committee would revert to the costs estimated under the regular budget in connection with the rental of the FF building after it had received additional information.

62. With regard to section 26E (conference services), he said that, with the exception of the proposal for two additional posts referred to in paragraph VIII.76 of its report, the Advisory Committee recommended acceptance of all the proposals of the Secretary-General, as summarized in paragraph VIII.54. Most of the general issues arising in connection with section 26E had been debated under agenda item 119, on the pattern of conferences.

63. With regard to sections 26F, 26G and 26H relating to the administrative costs in Geneva, Vienna and Nairobi respectively the Advisory Committee recommended acceptance of the proposals regarding post changes in Geneva. It welcomed the ongoing management study at Geneva, and hoped that the question of streamlining general services would be addressed in conjunction with the implementation of the second phase of the review referred to in paragraph 19 of its report. As indicated in paragraphs VIII.82 and VIII.88 of the Advisory Committee's report, the Secretary-General had been requested to identify all positions which had been continuously financed from general temporary assistance. With regard to the reorganization at Nairobi (para. VIII.87), he drew attention to the statement he had made at the Committee's 16th meeting concerning the relevant resolutions of the General Assembly and the decisions of the Governing Council of the United Nations Environment Programme.

64. In connection with section 27 (Jointly financed administrative activities), he drew attention to the Advisory Committee's comments on the International Civil Service Commission (para. IX.3), and its views on the estimates for the Joint Inspection Unit (JIU) (paras. IX.4-IX.10). The Advisory Committee had discussed those estimates with representatives of the Secretary-General, as well as with the Chairman and Executive Secretary of JIU, who had provided additional information. As indicated in paragraph IX.8, the Chairman of JIU had expressed concern about the adequacy of the staff resources requested in the Secretary-General's budget proposals. The Advisory Committee had requested JIU to review the current practice of allocating travel funds, so as to ensure their most efficient use (para. IX.9) and had requested information from the Secretariat on the steps taken to implement paragraph 12 of resolution 48/221 on the possibility of providing JIU with extrabudgetary resources and programme support for specific activities of inspection, evaluation and investigation in the areas linked to those resources (para. IX.10).

65. With regard to section 28 (Special expenses), he said that the bulk of the resources were for after-service health insurance coverage and reflected an 8.3 per cent increase before recosting (para. IX.15). In view of the high rate of increase in the cost of medical services, ACABQ welcomed the actuarial study referred to in paragraph IX.17, which would enable the Secretariat to evaluate the long-term viability of the after-service insurance scheme.

66. The Advisory Committee recommended that adequate staff resources should be made available, through redeployment, to handle the increasing number of claims submitted to the United Nations Claims Board and to the Board on Compensation Claims (para. IX.19). Lastly, it emphasized the need for an effective unified security coordination system to enhance the security and safety of the staff of the organizations of the United Nations system (para. IX.22).

Section 24: Department of Humanitarian Affairs

67. Mr. DJACTA (Algeria) said that his country fully supported the work of the Department of Humanitarian Affairs and would make every effort to ensure that it had the necessary means to carry out its mandate. The incidence of emergencies had grown over the years since the adoption of General Assembly resolution 46/182. His delegation welcomed the improved coordination of humanitarian affairs within the United Nations system, through such mechanisms as the Inter-Agency Standing Committee, the consolidated appeals process and the Central Emergency Revolving Fund. In addition, the Department had rendered valuable assistance in dealing with the growing problem of mine clearance and it was essential that it should be provided with adequate resources for that task.

68. His delegation was therefore concerned by the conclusion in paragraph VI.22 of the Advisory Committee's report that approval for the additional posts should be deferred pending completion of the management study on the Department. He noted that there was no mandate for such a study provided in the budget for the biennium 1994-1995; furthermore, the Department of Humanitarian Affairs had been established on the basis of extrabudgetary, not regular budget, resources: the conclusion reached by ACABQ therefore appeared to be without foundation.

69. The Advisory Committee had also called for the formulation of a financial strategy, a task which would require further resources over and above those needed for the proposed three new posts. He wondered whether, in view of that requirement, additional funding might be provided from the regular budget, and he sought the views of the Advisory Committee on that matter.

70. Finally, noting that the Department had responded on 20 separate occasions to emergencies in Africa, he stressed the need for a swift and effective response to such emergencies and said he hoped that, when emergency situations arose, it would not be necessary to wait for the results of a study before action was taken.

71. Mr. RAMOS (Spain), speaking on behalf of the European Union, said that the European Union attached great importance to the role of the Department of Humanitarian Affairs and believed that a larger appropriation should have been proposed for section 24. The appropriation in the proposed budget represented an increase over the previous biennium of only 1.8 per cent. The European Union welcomed the ongoing management study, which would identify the extent to which the Department's core functions could be financed from the regular budget, and it hoped that ACABQ would report on that issue when the General Assembly re-examined the issue of the financing of core posts in the Department of Humanitarian Affairs. Pending the completion of the management study, the European Union welcomed the Secretary-General's proposals as a starting point.

72. He concurred with the Advisory Committee's recommendations that the management study should be as comprehensive as possible and should aim at rationalizing the use of the Department's financial resources. In addition, the European Union agreed with ACABQ on the advisability of transferring the administration of certain trust funds from Geneva to New York, a move which, by bringing the administering office closer to the unit concerned, would improve the management of the funds and would be consistent with the aim of ensuring a

more streamlined and transparent system of trust-fund financing for the Department of Humanitarian Affairs.

73. Mr. DECOTIIS (United States of America) commended the Department of Humanitarian Affairs on its effective role in enhancing the ability of donors to respond to emergencies through a more efficient use of contributions and better implementation of relief programmes. In view of the critical role assigned to the Department, his delegation was concerned at its overdependence on extrabudgetary resources to finance a significant proportion of its staff and strongly believed that, through a process of redeployment, the Department should be provided with a more secure and sustainable financial base.

74. Finally, his delegation concurred with the Advisory Committee's view that no further action should be taken on the staffing requirements and resource levels of the Department until the management study had been carried out and, accordingly, urged the Department to expedite completion of that study.

75. Mr. GODA (Japan) said that, in view of the importance of the activities of the Department of Humanitarian Affairs, it was essential that it should be provided with the necessary resources to enable it to carry out its mandate. Noting the recommendation in the Advisory Committee's report that approval of the additional posts proposed should be deferred until the management study had been completed, he pointed out that the Department's resource requirements for the next biennium were very modest and requested further information on the schedule of the management study so that appropriate measures could be taken by ACABQ and the Fifth Committee to ensure that the Department was provided with the necessary resources.

76. Noting that the start-up phase of the early warning system in the Department of Humanitarian Affairs would be completed in 1995, he requested additional information from the Secretariat, to be provided in informal consultations, on the steps which the Department planned to take towards implementing the early warning system on an Organization-wide basis.

77. Mr. KOUZNETSOV (Russian Federation) said that his delegation concurred with the views of the European Union concerning the activities of the Department of Humanitarian Affairs. In view of the importance of those activities, the management study, including the elaboration of a financial strategy, should be concluded as swiftly as possible. Once the study had been completed, it would be easier for delegations, guided by the comments of the Advisory Committee, to give substantial consideration to the question of creating new posts - permanent or temporary - for the Department.

78. Mr. GOKHALE (India) said that his delegation fully concurred with the recommendations of the Advisory Committee relating to section 24.

79. Mr. BRISEID (Norway) said that his delegation wished to associate itself with the statement made by the representative of Spain, particularly in view of the great importance of humanitarian activities in general. He cautioned, however, about the danger of duplication and stressed the need for maximum coordination both within the Department and between the Department and other agencies.

80. The increasing scale and frequency of emergencies necessitated a corresponding strengthening of the capacity of the Department, which, in turn, required a strengthened backstopping capacity, especially in view of the additional functions assigned to it in the area of disaster reduction, environmental disasters and mine clearance activities. For that reason, his delegation was concerned over the large number of posts financed from extrabudgetary resources. At the same time, it welcomed the proposed increased albeit modest - in the resources requested for the Department in the proposed budget but was concerned about the decline in extrabudgetary resources, which set an additional challenge both for the Secretariat and for Member States.

81. Mr. ODAGA-JALOMAYO (Uganda) said that his delegation had noted the decision by the Department to conduct a management study, with particular reference to the possibility of transferring posts from extrabudgetary funding to the regular budget, and it wondered how work on that study was progressing. He hoped that the views of the Advisory Committee, as set forth in paragraph VI.22 of its report, would be taken into consideration during the preparation of the management report.

82. His delegation fully agreed with ACABQ that approval for the new posts should be deferred, pending the outcome of the management study. Similarly, it concurred with the views expressed by ACABQ in paragraph VI.21 of its report regarding the high number of extrabudgetary posts, some at the D-1 and D-2 levels, and the recommendation in paragraph VI.23 that measures should be taken to consolidate some operational activities of the trust funds administered by the Department in the interests of efficiency and effective control.

83. Mr. TAKASU (Controller) said that, since its establishment under General Assembly resolution 46/182, the Department of Humanitarian Affairs had endeavoured to strengthen its operations through restructuring measures and the redeployment of resources, without seeking additional budgetary funding. For the biennium 1996-1997, it sought an additional three posts, which would bring its regular budget established staff complement to 75. He pointed out, however, that the Department also used the services of some 100 Professional, 28 General Service and 48 Local staff members. The aim of the management study was to address the issue of the extrabudgetary funding of posts; it was not concerned with the regular budget posts.

84. The Department of Humanitarian Affairs had decided to enlist the services of an independent expert to study the utilization of extrabudgetary resources in the administration of the Department's many trust funds, with a view to further streamlining and rationalizing that utilization. Approval of the three additional posts should therefore not be affected by the outcome of the study.

85. On the issue of the financing of the study itself, he said that extrabudgetary funding had been secured. There had been delays in appointing an expert, and work on the study, which had only just commenced, would not be concluded until early 1996.

86. With regard to the deployment of the three new posts, he said that two would be assigned to the Complex Emergency Division in New York, one to deal with Africa and the other, at the P-5 level, to head the Asia, Europe and Latin

America Section. The incumbent of the third post would head the Complex Emergency Support Unit in the Geneva Office, strengthening coordination with field coordinators. He stressed once again that the three posts, which were all very necessary, were not subject to the outcome of the management review.

87. In response to the question relating to the early warning system, he confirmed that the first phase had been completed and that the Department was currently seeking additional extrabudgetary resources for the next biennium to carry out the next phase of the project.

88. Mr. DJACTA (Algeria) asked, in the light of the clarification given by the Controller, whether the Advisory Committee could confirm that the management study was being financed from extrabudgetary resources.

89. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's recommendations had not been based on whether the management study was financed from extrabudgetary or from regular budget resources. As stated in paragraph VI.20 of its report, the Advisory Committee had been informed that the Department planned to undertake a management study in 1995 on which extrabudgetary posts should be transferred to the regular budget of the Department. The purpose of the study, therefore, was to indicate to the Department which extrabudgetary posts currently in existence performed core functions and should therefore be transferred to regular budget funding. Accordingly, ACABQ had concluded that it would be better to await the results of the study and to see whether the three posts under consideration fell into the category of core functions. If, however, the results of the study were not available before the end of 1995, the Committee would have to decide how to proceed in order to meet the Department's requirements.

90. Mr. DJACTA (Algeria) said that, as clarified by the Chairman of ACABQ, the decision of the General Assembly should not be held up pending the results of the study, particularly since the study was not expected to be completed by the end of 1995.

The meeting rose at 1 p.m.